THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M V. CHANDRASHEKARA MURTHY) (a) to (d) The information is being collected and will be laid on the Table of the House.

Presumptive tax

1069. SHRI SATISH AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to enlarge the area of presumptive tax so as to include small/petty professionals like doctors, lawyers, architects, housewives who are depending mainly on interest incomes; and

(b) if so, what are the details of the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) In view of (a), question does not arise.

Exemption on Gift Tax

1070. SHRI SATISH AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to exempt gift tax on gifts made in favour of one's wife, daughters and sons; and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) Question does not arise.

Exemption of Income Tax to certain trusts and foundations

1071. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that huge sum of money are deprived from being collected as Income Tax due to exemptions granted to certain Trusts and Foundations;

(b) whether Government will formulate a comprehensive policy to carefully screen and monitor private, Trusts receiving large volume of funds;

(c) whether there is any audit by Government additors of such Trusts; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Under Section 11 of Income Tax Act, 1961, income derived from property held under Trust wholly for charitable or religious purposes, subject to fulfilment of certain specified conditions, is exempt from tax. Trusts or institutions established for charitable or religious purposes and notified by the Central Government u/s 10 (23C) (iv)/(v) of Income-tax Act, 1961 are also exempt from payment of tax. These exemptions are given mainly with a view to promote charitable activities.

(b) The income of private Trusts is chargeable to tax. They are required to file returns of income under the provisions of the Income Tax Act.

(c) and (d) Even though there is no audit by any Government appointed auditor, still audit by a Chartered Accountant is a statutory requirement under Section 12A(b) of the Income Tax Act in case of a charitable/religious trust or institution if their income exceeds Rs. 50,000/-. In case of a private trust, audit under Section 44 AB of Income-Tax Act is a statutory requirement subject to conditions mentioned therein.